

Business Empowerment Center Provides Critical Resources for Small and Medium-Sized EZ Businesses

Baltimore, Maryland, EZ

In Baltimore and other EZ cities, the majority of businesses are small or minority-owned and often need assistance accessing resources and opportunities. In an effort to focus on the needs of underserved businesses, Empower Baltimore Management Corporation (EBMC) allocated \$4.2 million in 1996 to establish a Business Empowerment Center (BEC) to link Zone businesses to capital, land, a skilled workforce, growth opportunities, and professional development workshops.

One business that received assistance from the BEC is Charm City Signs. Owner Joe Maruschak says, "My business was just a dream until I contacted the Empowerment Zone. They guided me through the financing and found a business location that is the envy of my competitors. In the 2 years since opening my business, the Zone has continually provided networking and procurement opportunities."

In partnership with several in-house organizations, the BEC has become a critical resource for EZ businesses. The U.S. Small Business Administration's One-Stop Capital Shop, Bank of America, and Professional Training Services (a technical assistance provider of business management, workforce, and marketing assistance) all are located in the BEC. In 2000, Morgan State University, Development Credit Fund, and Carrollton Bank also will locate in the BEC to broaden the range of services, resources, and opportunities available to EZ residents. Through the resources of the BEC and its partners, including the Baltimore Development Corporation and the Maryland Department of Business and Economic Development, more than 100 companies have opened or expanded in the EZ and created more than 3,200 new jobs.

For aspiring business owners, entrepreneurial training is available through the BEC. Since May 1998, more than 50 EZ entrepreneurs have received training in developing a business plan, starting and operating a business, marketing, and record-keeping.

For more information contact Michael Preston, Chief of Public Information and Marketing, EBMC, at 410-783-4400.

Bridges to Work Program Links EZ Residents With Suburban Jobs

Baltimore, Maryland, EZ

Affluent Howard and Anne Arundel Counties in Maryland have trouble attracting workers for low-and moderate-income jobs. Residents of the nearby Baltimore EZ are eager to fill these jobs but have no way to get to work. Most EZ residents do not own vehicles and the Mass Transit Administration offers limited service within these counties.

To solve this problem, Baltimore recently applied for and received a HUD Bridges to Work grant of \$1.6 million to create a van pool for East Baltimore residents who work in Howard and Anne Arundel Counties. This opened a window of opportunity for EZ residents to look for work outside the city. The van pool serves 400 people and operates mainly in the business corridor near Baltimore-Washington International Airport.

In March 2000, 54 people rode the van pool daily to jobs paying an average of \$7.50 per hour with benefits. Baltimore is negotiating with the Mass Transit Administration to expand its service to surrounding counties.

For more information contact Michael Preston, Public Information Coordinator, Empower Baltimore Management Corporation, at 410-783-4222.

Community Policing Strategy Reduces Crime Rate

Baltimore, Maryland, EZ

The Washington Village/Pigtown Neighborhood Planning Council (WPNPC) is one of six village centers coordinating and facilitating EZ strategies at the neighborhood level. WPNPC has instituted community policing with a mobile police van serving as a local police station for its area. WPNPC also has upgraded lighting in the area, fenced vacant lots, gated small alleyways, and installed surveillance cameras at neighborhood trouble spots.

In addition, the village center has designed a program that brings residents sentenced to community service back into the community to provide meaningful work. These offenders are also enrolled in the Washington Village/Pigtown Family Support and Career Center. WPNPC has also developed a “one-stop shop” that includes the offices of community organizers, probation and parole officers, community police officers, and State’s Attorneys, along with substance abuse treatment, career counseling, and job-placement services. The crime rate in the WPNPC area has dropped 17 percent in a 2-year period.

For more information contact Michael Preston, Public Information Officer, Empower Baltimore Management Corporation, at 410-783-4413.

Homeownership Made a Reality for 450 EZ Residents Through \$5,000 Grants

Baltimore, Maryland, EZ

Homeownership has long been considered the American dream, but for many low-income individuals it is just that—a dream. In Baltimore, the EZ is helping to make that dream come true for hundreds of residents. Bill Toscano is one of them; he was able to purchase a home in the EZ's Washington Village-Pigtown neighborhood. Toscano says, "It's very exciting to be a new homeowner in a nice, quiet neighborhood near downtown. I could not have purchased this home without the assistance of the Empowerment Zone." Since 1996 Empower Baltimore Management Corporation (EBMC) has provided grants of up to \$5,000 through its Housing Venture Fund (HVF) to help EZ residents pay closing costs. Through March 2000 a total of 458 individuals and families have received grants to cover downpayments and other settlement costs.

The HVF is funded with \$3.5 million in Title XX funds and administered in partnership with Baltimore City's Department of Housing and Community Development, Fannie Mae, and local lenders. Through November 1999, \$1.9 million in EZ funds used as closing cost grants have leveraged \$23 million in mortgages for EZ residents.

A look behind the numbers shows that HVF is meeting its goal of providing homeownership opportunities for everyone in the community. Eighty-four percent of the homebuyers are first-time homeowners with an average income of \$24,000, and nearly half are single women with children. With its current funding, this program is projected to assist 700 additional new EZ homeowners.

For more information contact Michael Preston, Chief of Public Information and Marketing, EBMC, at 410-783-4400.

Baltimore to use HOPE VI to Promote Employment, Economic Development

Baltimore, Maryland, EZ

The Housing Authority of Baltimore City will receive a \$21 million HUD HOPE VI revitalization grant to revitalize the Broadway Homes public housing development as well as other housing units throughout the Zone. A total of 429 severely distressed units will be replaced with 84 units of public housing, 20 affordable homeownership units, and 12 market-rate rental units.

An additional 600 homeownership units are targeted in the Sandtown/ Winchester neighborhood. The Empower Baltimore Management Corporation, the group responsible for oversight of the city's EZ, will use \$2 million of Baltimore's \$100 million EZ funding to provide up to \$5,000 in downpayment costs for hundreds of low- and middle-income homebuyers. Baltimore has pursued HOPE VI resources aggressively for use in combination with private and State funding to demolish existing high-rise public housing projects and redevelop the sites with low-rise rental and for-sale housing, public facilities, and business.

The revitalization plan includes an 8,500-square-foot community center that will be a coordinating hub for community and supportive services. It also includes a mixed-use facility that will provide a 15,000-square-foot, state-of-the-art library and technology training center; 10,000 square feet of neighborhood retail space; a hotel; and a 1,600-space parking garage. Broadway residents will thus become linked to numerous community service providers offering job-readiness training; employment opportunities; and education, recreation, economic, health, and other human services.

Community partners include Johns Hopkins University (Baltimore's largest employer), the EZ, the city's public library and public schools, the Boys & Girls Clubs of Central Maryland, Head Start, the Baltimore American Indian Center, and a variety of grassroots neighborhood and community organizations including the Historic East Baltimore Community Action Coalition and the Southeast Community Organization/Southeast Development Initiative.

Overall site layout plans incorporate design principles that include defensible space (areas whose physical design offers an approach to crime prevention) and integrate employment and economic development opportunities. An additional \$70 million in public and private funds will be invested in the project.

For more information contact Daniel P. Henson III, Executive Director, Housing Authority of Baltimore City, at 410-396-3232.

EZ Businesses Start and Stay in Business Thanks to Loan Funds

Baltimore, Maryland, EZ

Everyone knows that it takes money to make money. “Our business loan funds represent loan financing that isn’t currently available in the marketplace,” says William Rice, Director of the Business Empowerment Center for Empower Baltimore Management Corporation (EBMC). That is why EBMC has partnered with financial agencies to administer four loan funds to offer much-needed capital to EZ businesses. Just ask Keith Machen, Vice President of Ntegrity Telecontent Services Inc., a telecommunications company that located in Baltimore’s EZ in 1998. His company received a loan from EBMC’s Equity Investment program, which supplies capital to small and medium-sized businesses in return for the right to purchase equity in the company. With this “patient” loan, the business does not have to pay back its debt for a period of time agreed on by the business and the EZ. In this case, Ntegrity was freed from debt-service payments for 18 months. This fund is capitalized by \$875,000 in EZ funds leveraged with \$6 million from the Prudential and Ford foundations.

Another loan fund provides a subordinated bank loan that complements a conventional loan by lending up to 35 percent of the project debt—up to \$150,000— at a low interest rate. The EZ portion of the loan does not need to be paid back until the first loan has been paid. EBMC also makes small business loans of \$50,000 to \$500,000. In an effort to revitalize physical sites in the EZ as well as assist businesses, EBMC offers grants and loans for the redevelopment of brownfields. Grants are given for Phase II environmental site assessments to determine remediation services needed. Loans are made for site development.

As of December 1998, 1 equity investment loan, 13 subordinated loans, 7 small business loans, 3 brownfields loans, and 1 brownfields grant have been made. The 25 investments totaling \$3,344,459 created 368 new jobs in the EZ. Six more loans have been approved but have not yet closed. The EZ loan funds have leveraged \$9 million for EZ businesses.

Because 80 to 90 percent of the businesses in the EZ have 10 employees or fewer, a fund called the Microloan Fund will be created for small businesses. Loans of \$1 to \$50,000 are geared toward businesses with limited resources in need of working capital or equipment.

For more information contact Michael Preston, Public Information Officer, Empower Baltimore Management Corporation, at 410-783-4413.

Customized Job Training—the Bridge to High-Tech Jobs Baltimore, Maryland, EZ

“The only thing standing between the people who need jobs and the people who need skilled workers is the training,” declares Margaret B. Penno, Associate Professor of Medicine at Johns Hopkins University. Penno works closely with both Baltimore City Community College (BCCC) and the Empower Baltimore Management Corporation (EBMC) to develop customized job-training programs that upgrade EZ residents’ skills and place them in jobs that have career potential. In 1997 the group, interested in opening up jobs in the high-technology sector for EZ residents, met with Chesapeake Biological Laboratories (CBL), an EZ business that manufactures pharmaceuticals. By working closely with the prospective employer, the partners determined the job skills and interests of potential employees. Based on their assessment, 9 EZ job applicants were selected to attend an intense, 13-week training course for laboratory technician positions in CBL’s “clean rooms,” where sterile batches of products are prepared and packaged. In the classroom and on the job, an instructor from BCCC and current CBL employees taught residents technical skills ranging from the proper operation and cleaning of syringe and vial fillers to the maintenance of records for customer and regulatory review.

By January 1998 all nine applicants were hired by CBL, eight as lab technicians and one as a batch writer. “Perhaps the best testament to how well the training is working is that all 9 are still employed 15 months later and that CBL accompanies us when we go to talk to other businesses about this program,” says Michael Preston, Coordinator/ Marketing and Public Information Officer for EBMC. CBL, which receives tax credits for businesses that hire in the EZ of up to \$3,000 on wages paid to hired program trainees, is currently seeking another group of EZ job applicants for the program; another EZ company, Osiris Therapeutics, is replicating this training as well.

As of March 1998, nearly 20 companies located across the Baltimore metropolitan area have created positions for 132 EZ residents through the EZ customized training program. At the successful completion of training, all customized training positions pay at least \$6.50 per hour plus health benefits.

For more information contact Michael Preston, Coordinator/Marketing and Public Information Officer, Empower Baltimore Management Corporation, at 410-783-4413.

Knocking on Wood, EZ Residents Learn Cabinetmakers' Trade

Baltimore, Maryland, EZ

Carpenter and entrepreneur Greg Dively is giving community members a practical boost by training 10 East Baltimore EZ residents in the skills of carpentry and cabinetmaking.

Dively has a history of civic involvement. He has trained and hired ex-offenders after they leave correctional institutions. Butch Madden, one of those employees, says, "It made me feel good that there was a guy who was willing to give me a chance. He goes out of his way to help people; most businesses won't do that." Although his new trainees won't come from correctional institutions, Dively says that his experiences working with formerly incarcerated men has made him sensitive to the hardships some EZ residents face.

Dively has committed to train 10 EZ residents who will be hired by his business or by his competitors. The agreement with the East Baltimore Management Corporation (EBMC) stipulates that these businesses will provide full-time jobs that pay more than \$6.50 an hour and provide health benefits.

For more information, contact Michael Preston, Public Information Coordinator, Empower Baltimore Management Corporation, at 410-783-4222.

75 New Homeowners Assisted Through Homeownership Counseling

Baltimore, Maryland, EZ

Some \$1.25 million in non-EZ resources will be devoted to advise and counsel EZ residents about homeownership opportunities. The funders include Neighborhood Reinvestment Corporation, the city's Department of Housing and Community Development, Fannie Mae, several area colleges and universities, and several private mortgage lenders. Through several existing homeownership programs, Empower Baltimore Management Corporation expects to assist 75 EZ residents a year in the purchase of their own homes.

For more information about Baltimore's programs, contact Diane Bell, Empower Baltimore Management Corporation, at 410-783-4400.

Six Village Centers Offer One-Stop Services to Neighborhoods

Baltimore, Maryland, EZ

Village Centers are community-based 501(c)3 nonprofit corporations seeded with Title XX funds to create job-ready individuals in the EZ neighborhoods. Each of the six Village Centers is a coalition of adjoining neighborhoods, local businesses, religious organizations, institutions, and agencies. These organizations provide access to the full range of neighborhood programs and services available to EZ residents, including job training, job placement, and neighborhood-specific services developed under the direction of the coalition.

For more information about Village Centers, contact Diane Bell, Empower Baltimore Management Corporation, at 410-783-4400.

\$1.5 Million Community Banking Initiative Established Baltimore, Maryland, EZ

Baltimore was one of three recipients of a HUD grant to develop a community-based banking initiative. Empower Baltimore Management Corporation, the nonprofit company overseeing the EZ, received \$1.5 million in Economic Development Initiative grants and \$1.5 million in Section 108 loan guarantees to assist new businesses and local residents who do not qualify for traditional financing. The funds will be used to create a community-based business loan pool. Community members may invest their own money in the venture and help decide who may borrow the money.

For more information, contact Michael Preston, Empower Baltimore Management Corporation, at 410-783-4455.

\$1 Million High-Risk Capital Fund Established

Baltimore, Maryland, EZ

Using \$1 million in Title XX funds as seed money, this capital fund will make subordinated debt investments in EZ businesses that are considered by traditional lenders to be undercapitalized. As currently structured, individual businesses will be eligible to receive 20 percent of total loan requirements up to \$100,000, with conventional lenders providing the balance. An additional \$1 million investment in the high-risk capital loan fund has been committed by NationsBank.

For more information about the High-Risk Capital Fund, contact Diane Bell, Empower Baltimore Management Corporation, at 410-783-4400.

Van Pool Links Inner-City Residents to Jobs in the Suburbs Baltimore, Maryland, EZ

Affluent Howard and Anne Arundel Counties were having trouble attracting workers to low- and moderate-wage jobs. Residents of nearby Baltimore were anxious to fill those jobs but had no way to get to work. Most of the EZ residents do not own vehicles, and the Mass Transit Administration has been reluctant to expand its limited service within the counties. With the help of a \$1.6 million HUD Bridges to Work grant plus \$500,000 in EZ funds, the city has been able to solve both problems. The Bridges to Work grant created a van pool for East Baltimore residents who work in Howard and Anne Arundel Counties, opening a window of opportunity for EZ residents to look for work outside the city.

The van pool can serve 400 people and operates mainly in the business corridor near Baltimore-Washington International Airport. Currently, 54 people ride the van pool to jobs that pay an average of \$7.50 per hour with benefits. Baltimore is in the process of negotiating with the Mass Transit Administration to expand its service to the surrounding counties.

For more information, contact Michael Preston, Public Information Coordinator, Empower Baltimore Management Corporation, at 410-483-4222.

Recruiting Businesses: Ecological Industry Park Will Create 1,500 Jobs

Baltimore, Maryland, EZ

The Baltimore Development Corporation is establishing an eco-industrial park in Fairfield to make use of more than 1,200 acres of underutilized land. A minimum of 10 new businesses are being sought for the project. Most interestingly, the park attempts to ensure environmentally sound industrial development by matching businesses that can make productive use of one another's waste materials. The objective of this park is to attract environmentally sensitive business processes through an incubator arrangement using a closed loop production system linked to resource recovery technology. When the project reaches its full potential, 1,500 jobs will be available to EZ residents.

The project is a collaboration of the Empower Baltimore Management Corporation, the Baltimore Development Corporation, Cornell University's Work and Environment Initiative, the city of Baltimore's public works department, and the State of Maryland. Thus far, the Abbey Drum business and the Pasadena Forklift have located in the Zone. The eco-park is funded with \$864,000 in EZ funds and \$5 million in city funds.

For more information on Fairfield Industrial Park, contact Mike Palumbo, Project Manager, at 410-837-9310.

Business Empowerment Center Will Reach 300 Businesses in 2 Years

Baltimore, Maryland, Empowerment Zone

The Business Empowerment Center (BEC) provides access to capital and specialized training and technical assistance (marketing, entrepreneurship training, etc.) specifically for EZ-based businesses and residents. The \$2.9 million project will be funded in part by an EZ grant of \$1.35 million, with the remainder from SBA, the Minority Business Development Agency, NationsBank, Bell Atlantic, and several local colleges and universities. SBA also has a One-Stop Capital Shop, and an Employ Baltimore Satellite office will soon co-locate in the center. BEC will reach 300 businesses and entrepreneurs in the first 2 years of operation. BEC opened in July 1996 in a city-owned building.

For more information about Business Empowerment Centers, contact Diane Bell, Empowerment Baltimore Management Corporation, at 410-783-4400.